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TOWN OF VINTON, LOUISIANA
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORT
YEAR ENDED SEPTEMBER 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/15/09

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TOWN OF VINTON, LA.

Management's Discussion and Analysis

Within this section of the Town of Vinton, LA's (Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2008. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$14,290,733 (net assets) for the fiscal year reported.
- Total revenues of \$7,194,214 were in excess of total expenditures of \$5,947,224, which resulted in a current year surplus of \$1,246,990, compared to prior year loss of \$(863,239).
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$11,392,786 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Unrestricted net assets of \$2,897,947 represent the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$1,728,556 this year. This compares to the prior year ending fund balance of \$1,899,689, reflecting a decrease of \$171,133 during the current year, compared to an decrease of \$1,711,463 in the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$400,537, or 17% of total General Fund expenditures and 19% of total General Fund revenues including transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Town's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by sales tax and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government, public safety and streets. Business-type activities include the electric, water and sewer systems.

The government-wide financial statements are presented on pages 15 and 16 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

The basic governmental fund financial statements are presented on pages 19 through 22 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The one Town proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization for electric, water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 23 through 25 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund and the major special revenue fund. These statements and schedules demonstrate compliance with the Town's adopted and final revised budget. Required supplemental information can be found on pages 40 through 41 of this report.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's net assets at fiscal year-end are \$14,290,733. The following table provides a summary of the Town's net assets:

	Governmental Activities		Business-type Activities		Total		Percentage Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Assets:								
Current assets and other assets	\$ 3,318,963	\$ 3,888,005	\$ 2,178,950	\$ 2,326,505	\$ 5,497,913	\$ 6,214,510	31%	37%
Capital assets	<u>7,528,757</u>	<u>5,773,060</u>	<u>4,696,711</u>	<u>4,840,313</u>	<u>12,225,468</u>	<u>10,613,373</u>	<u>69</u>	<u>63</u>
Total assets	<u>10,847,720</u>	<u>9,661,065</u>	<u>6,875,661</u>	<u>7,166,818</u>	<u>17,723,381</u>	<u>16,827,883</u>	<u>100%</u>	<u>100%</u>
Liabilities:								
Current liabilities	2,182,669	2,472,101	417,297	419,529	2,599,966	2,891,630	76%	76%
Long-term liabilities	<u>832,682</u>	<u>892,510</u>	<u>-</u>	<u>-</u>	<u>832,682</u>	<u>892,510</u>	<u>24</u>	<u>24</u>
Total liabilities	<u>3,015,351</u>	<u>3,364,611</u>	<u>417,297</u>	<u>419,529</u>	<u>3,432,648</u>	<u>3,784,140</u>	<u>100%</u>	<u>100%</u>
Net assets:								
Investment in capital assets, net of debt	6,696,075	4,880,550	4,696,711	4,840,313	11,392,786	9,720,863	80%	75%
Unrestricted	<u>1,136,294</u>	<u>1,415,904</u>	<u>1,761,653</u>	<u>1,906,976</u>	<u>2,897,947</u>	<u>3,322,880</u>	<u>20</u>	<u>25</u>
Total net assets	<u>\$ 7,832,369</u>	<u>\$ 6,296,454</u>	<u>\$ 6,458,364</u>	<u>\$ 6,747,289</u>	<u>\$ 14,290,733</u>	<u>\$ 13,043,743</u>	<u>100%</u>	<u>100%</u>

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 1.52 to 1 for 2008 and 1.57 to 1 for 2007 and for business type activities is 5.22 to 1 for 2008 and 5.55 to 1 for 2007. For the Town overall, the current ratio is 2.11 to 1 for 2008 and 2.15 to 1 for 2007. These ratios are strong.

Note that approximately 85% (78% for 2007) of the governmental activities' net assets are tied up in capital. The Town uses these capital assets to provide services to its citizens. However, with business type activities, the Town has spent approximately 73% (72% for 2007) of its net assets on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. Overall, 80% (75% for 2007) of the Town's total net assets are included in capital assets.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

The following table provides a summary of the Town's changes in net assets:

Percentage	Governmental		Business-Type					
	Activities		Activities		Total		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Revenues:								
Program:								
Charges for services								
/fines	\$ 408,869	\$ 414,548	\$ 3,728,078	\$ 3,384,519	\$ 4,136,947	\$ 3,799,067	58%	63%
Operating grants	1,082,689	265,275	-	-	1,082,689	265,275	15	4
Intergovernmental	458,149	411,985	-	-	458,149	411,985	6	7
General:								
Sales taxes	1,028,631	950,476	-	-	1,028,631	950,476	14	18
Other taxes	212,095	232,740	-	-	212,095	232,740	3	4
Interest	42,149	116,977	42,761	78,174	84,910	195,151	1	3
Other	190,793	150,263	-	-	190,793	150,263	3	3
Total Revenues	<u>3,423,375</u>	<u>2,542,264</u>	<u>3,770,839</u>	<u>3,462,693</u>	<u>7,194,214</u>	<u>6,004,957</u>	<u>100%</u>	<u>100%</u>
Program expenses:								
General government	683,913	721,264	-	-	683,913	721,264	11%	11%
Public safety:								
Police	802,679	823,067	-	-	802,679	823,067	13	12
Fire	240,110	203,934	-	-	240,110	203,934	4	3
Streets	473,242	397,253	-	-	473,242	397,253	8	6
Interest	46,668	49,834	-	-	46,668	49,834	1	1
Hurricane, net	6,839	1,209,443	-	-	6,839	1,209,443	-	17
Electric, water and sewer	-	-	3,693,773	3,463,401	3,693,773	3,463,401	63	50
Total Expenses	<u>2,253,451</u>	<u>3,404,795</u>	<u>3,693,773</u>	<u>3,463,401</u>	<u>5,947,224</u>	<u>6,868,196</u>	<u>100%</u>	<u>100%</u>
Excess (deficiency)	1,169,924	(862,531)	77,066	(708)	1,246,990	(863,239)		
Transfers	<u>365,991</u>	<u>57,933</u>	<u>(365,991)</u>	<u>(57,933)</u>	-	-		
Change in net assets	1,535,915	(804,598)	(288,925)	(58,641)	1,246,990	(863,239)		
Beginning net assets	<u>6,296,454</u>	<u>7,101,052</u>	<u>6,747,289</u>	<u>6,805,930</u>	<u>13,043,743</u>	<u>13,906,982</u>		
Ending net assets	<u>\$ 7,832,369</u>	<u>\$ 6,296,454</u>	<u>\$ 6,458,364</u>	<u>\$ 6,747,289</u>	<u>\$ 14,290,733</u>	<u>\$ 13,043,743</u>		

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

GOVERNMENTAL REVENUES

The Town is heavily reliant on sales taxes to support governmental operations. Sales taxes provided 14% (16% for 2007) of the Town's total revenues. Sales taxes equal 30% (37% for 2007) of the revenues for governmental activities. Also note that program revenues, excluding grants, cover only 38% (38% for 2007) of governmental operating expenses. This means that the government's taxpayers and the Town's other general revenues fund 62% (62% for 2007) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the Town's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Police services comprise 13% (12% for 2007) of the Town's total expenses and 36% (24% for 2007) of the total governmental expenses. The total public safety makes up 46% (30% for 2007) of the total governmental expenses.

This table presents the cost of each of the Town's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
General government	\$ 683,913	\$ 721,264	\$ (683,913)	\$ (721,264)
Public safety:				
Police	802,679	823,067	(386,666)	(370,152)
Fire	240,110	203,934	(240,110)	(203,934)
Streets	473,242	397,253	602,303	(170,345)
Interest on long-term debt	46,668	49,834	(46,668)	(49,834)
Hurricane, net	6,839	1,209,443	(6,839)	(1,209,443)
Total	<u>\$ 2,253,451</u>	<u>\$ 3,404,795</u>	<u>\$ (761,893)</u>	<u>\$ (2,724,972)</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 10% more than 2007 and operating expenses 7% more than 2007. Within the total business type activities of the Town, these activities reported a \$34,305 operating surplus compared to an operating loss of \$78,882 for the prior year.

However, after contributed capital and transfers in and out, the fund reported a loss of \$288,925, compared to a loss of \$58,641 for the prior year.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,728,556 (\$1,899,689 for 2007), all of which is unreserved indicating availability for continuing Town service requirements.

The total ending fund balances of governmental funds show a decrease of \$171,133, compared to a decrease of \$1,711,463 for the prior year. 2007 had a \$1,209,443 deduction for Hurricane Rita, net loss.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$310,475. In fiscal year 2007, the fund balance decreased by \$1,352,455. However, the reader needs to remember that the Town controls these differences by the amount of resources it transfers in from the Sales Tax Fund.

The revenues show an increase of \$7,851 or 1% over the prior year. The expenditures side show a decrease of \$893,473 or 27% over the prior year, mainly due to Hurricane Rita net expenses. Finally, transfers in from the sales tax fund were \$145,656 more than the prior year.

The general fund's ending fund balance is considered adequate, representing the equivalent of 22% of annual current expenditures.

The sales tax fund continues to accumulate strong fund balances with revenues in 2008 6% more than 2007.

In 2008, the capital projects fund resources were spent for LCDBG Grant projects.

THE PROPRIETARY FUND

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

BUDGETARY HIGHLIGHTS

The General Fund - both the revenue and the expenditure side of the original budget for the general fund was revised by \$30,880 and \$215,668, respectively this year. The primary change in the general fund's revenue budget relates to capital projects, fire and streets and alley expenses.

The actual revenues were in excess of the final budget by \$69,859 and the actual expenditures exceeded the final budget by \$254,623, mainly due to capital outlay.

The Sales Tax Fund - The revenue side of the original budget was increased by \$25,000 for the year to reflect increased sales tax collections. The actual sales taxes for the sales tax fund were in excess of the final budget by \$1,498.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2008, was \$7,528,757 and \$4,896,711 respectively. The overall increase was 15% for the Town as a whole. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Non-depreciable asset:						
Land	\$ 195,598	\$ 194,598	\$ 328,950	\$ 328,950	\$ 524,548	\$ 523,548
Construction in progress	<u>2,715,550</u>	<u>886,276</u>	<u>-</u>	<u>-</u>	<u>2,715,550</u>	<u>886,276</u>
Total non-depreciable	2,911,148	1,080,874	328,950	328,950	3,240,098	1,409,824
Depreciable assets:						
Buildings	2,143,429	1,993,579	7,886,171	7,857,071	10,009,600	9,850,650
Furniture & equipment	1,059,818	843,368	180,509	160,509	1,220,327	1,103,877
Transportation equipment	835,524	840,243	322,183	319,138	1,157,707	1,159,381
Infrastructure	<u>2,873,247</u>	<u>2,849,933</u>	<u>-</u>	<u>-</u>	<u>2,873,247</u>	<u>2,849,933</u>
Total depreciable assets	6,912,018	6,627,123	8,348,863	8,336,718	15,260,881	14,963,841
Less accumulated depreciation	<u>2,294,409</u>	<u>1,934,937</u>	<u>3,981,102</u>	<u>3,825,355</u>	<u>6,275,511</u>	<u>5,760,292</u>
Book value-depreciable assets	<u>\$ 4,617,609</u>	<u>\$ 4,692,186</u>	<u>\$ 4,367,761</u>	<u>\$ 4,511,363</u>	<u>\$ 8,985,370</u>	<u>\$ 9,203,549</u>
Percentage depreciated	<u>33%</u>	<u>29%</u>	<u>48%</u>	<u>46%</u>	<u>41%</u>	<u>38%</u>
Book value-all assets	<u>\$ 7,528,757</u>	<u>\$ 5,773,060</u>	<u>\$ 4,696,711</u>	<u>\$ 4,840,313</u>	<u>\$ 12,225,468</u>	<u>\$ 10,613,373</u>

At September 30, 2008, the depreciable capital assets for governmental activities were 33% depreciated compared to 29% at September 30, 2007. This comparison indicates that the Town is replacing its assets at as steady of a rate as they are depreciating which is a positive indicator.

The major additions are construction in progress projects.

With the Town's business type activities, 48% of the asset values were depreciated at September 30, 2008 compared to 46% at September 30, 2007.

Long-term debt

At the end of the fiscal year, the Town had total bonded debt outstanding of \$832,682. All of this amount is backed by the full faith and credit of the Town (general obligation bonds) with debt service funded by sales taxes.

During the year, the Town retired \$59,828 of the outstanding debt balance. See Note E for additional information regarding long-term debt.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

ECONOMIC CONDITIONS AFFECTING THE TOWN

Since the primary revenue stream for the Town is electric charges and sales taxes, the Town's electric charges and sales tax revenues are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Town's Clerk, Mary Vice, 1200 Horridge Street, Vinton, LA 70668.



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INDEPENDENT AUDITOR'S REPORT

March 16, 2009

To the Honorable Kenneth Stinson, Mayor and the Town Council
Town of Vinton, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Town of Vinton, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of September 30, 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009 on our consideration of the Town of Vinton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis and the required supplemental information on pages 3 through 11 and pages 40 through 41, respectively, are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of The Town of Vinton, LA. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

GRACSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
STATEMENT OF NET ASSETS
September 30, 2008

	Primary Government			
	Governmental	Business-Type	Total	Component
	Activities	Activities		Units
ASSETS				
Cash	\$ 2,677,780	\$ 1,594,353	\$ 4,272,133	\$ 5,753,929
Investments	130,699	128,740	259,439	-
Receivables	475,453	455,857	931,310	252,973
Prepaid expense	35,031	-	35,031	24,976
Bond costs, net	-	-	-	885,561
Capital assets:				
Land	195,598	-	195,598	-
Capital assets, net	<u>7,333,159</u>	<u>4,696,711</u>	<u>12,029,870</u>	<u>14,249,077</u>
Total assets	<u>10,847,720</u>	<u>6,875,661</u>	<u>17,723,381</u>	<u>21,166,516</u>
LIABILITIES				
Accounts and other accrued payables	1,590,407	294,934	1,885,341	541,367
Customer meter deposits	-	122,363	122,363	-
Interest payable	4,999	-	4,999	359,441
Deferred revenue	587,263	-	587,263	-
Long-term liabilities:				
Due within one year	63,323	-	63,323	690,000
Due after one year	<u>769,359</u>	<u>-</u>	<u>769,359</u>	<u>14,795,000</u>
Total liabilities	<u>3,015,351</u>	<u>417,297</u>	<u>3,432,648</u>	<u>16,385,808</u>
NET ASSETS				
Invested in capital assets, net of related debt	6,696,075	4,696,711	11,392,786	1,995,138
Restricted for:				
Debt service	-	-	-	3,073,966
Unrestricted	<u>1,136,294</u>	<u>1,761,653</u>	<u>2,897,947</u>	<u>(288,396)</u>
Total net assets	<u>\$ 7,832,369</u>	<u>\$ 6,458,364</u>	<u>\$ 14,290,733</u>	<u>\$ 4,780,708</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF VINTON, LA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2008

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			Component Units
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activities	Total	
Governmental activities:							
General and administrative	\$ 683,913	\$ -	\$ -	\$ (683,913)	\$ -	\$ (683,913)	\$ -
Streets and alley	473,242	-	1,075,545	602,303	-	602,303	-
Fire	240,110	-	-	(240,110)	-	(240,110)	-
Police	802,679	408,869	7,144	(386,666)	-	(386,666)	-
Interest on long-term debt	46,668	-	-	(46,668)	-	(46,668)	-
Hurricane, net	<u>6,839</u>	-	-	<u>(6,839)</u>	-	<u>(6,839)</u>	-
Total Governmental	2,253,451	408,869	1,082,689	(761,893)	-	(761,893)	-
Business-type activities:							
Electric, water and sewer	<u>3,693,773</u>	<u>3,728,078</u>	<u>-</u>	<u>(761,893)</u>	<u>34,305</u>	<u>34,305</u>	-
Total primary government	<u>\$ 5,947,224</u>	<u>\$ 4,136,947</u>	<u>\$ 1,082,689</u>		<u>34,305</u>	<u>(727,588)</u>	-
Component Units:							
Vinton Public Power Authority	<u>\$ 2,504,939</u>	<u>\$ 2,639,396</u>	<u>\$ -</u>	-	-	-	134,457
General revenues:							
Taxes -							
Property taxes, levied for general purposes				40,105	-	40,105	-
Sales and use taxes, levied for general purposes				1,028,631	-	1,028,631	-
Franchise taxes				35,826	-	35,826	-
Licenses and permits				136,164	-	136,164	-
Grants and contributions not restricted to specific programs-							
Federal and State sources				458,149	-	458,149	30,025
Interest and investment earnings				42,149	42,761	84,910	117,475
Miscellaneous				190,793	-	190,793	343,936
Transfers				<u>365,991</u>	<u>(365,991)</u>	-	-
Total general revenues				<u>2,297,808</u>	<u>(323,230)</u>	<u>1,974,578</u>	<u>491,436</u>
Change in net assets				<u>1,535,915</u>	<u>(288,925)</u>	<u>1,246,990</u>	<u>625,893</u>
Net asset - Beginning				<u>6,296,454</u>	<u>6,747,289</u>	<u>13,043,743</u>	<u>4,154,815</u>
Net assets - Ending				<u>\$ 7,832,369</u>	<u>\$ 6,458,364</u>	<u>\$ 14,290,733</u>	<u>\$ 4,780,708</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

The special revenue fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund accounts for the receipt and use of proceeds of the Town's 2 1/2 % sales and use tax.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Utility Fund #1

To account for the provision of electricity services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Utility Fund #2

To account for the provision of water and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF VINTON, LA.
BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash	\$ 1,500,893	\$ 507,632	\$ 669,255	\$ 2,677,780
Investments	99,196	31,503	-	130,699
Receivables:				
Accounts	25,847	-	-	25,847
Intergovernmental	129,255	-	217,666	346,921
Accrued interest	1,855	-	-	1,855
Prepaid expenses	35,031	-	-	35,031
Due from other funds	-	100,830	-	100,830
TOTAL ASSETS	<u>\$ 1,792,077</u>	<u>\$ 639,965</u>	<u>\$ 886,921</u>	<u>\$ 3,318,963</u>
LIABILITIES				
Accounts payable	\$ 1,260,847	\$ 189,906	\$ 8,961	\$ 1,459,714
Accrued vacation payable	14,863	-	-	14,863
Due to other funds	115,830	-	-	115,830
TOTAL LIABILITIES	<u>1,391,540</u>	<u>189,906</u>	<u>8,961</u>	<u>1,590,407</u>
FUND BALANCES				
Unreserved, undesignated	<u>400,537</u>	<u>450,059</u>	<u>877,960</u>	<u>1,728,556</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,792,077</u>	<u>\$ 639,965</u>	<u>\$ 886,921</u>	<u>\$ 3,318,963</u>

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2008

Total fund balance for governmental fund at September 30, 2008:		\$ 1,728,556
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 195,598	
Capital assets, net of \$2,294,409 accumulated depreciation	<u>7,333,159</u>	7,528,757
Long-term liabilities at September 30, 2008:		
Bonds payable	(832,682)	
Accrued interest payable	<u>(4,999)</u>	(837,681)
Difference between deferred revenue on modified accrual basis versus accrual basis		<u>(587,263)</u>
Total net assets of governmental activities at September 30, 2008		<u>\$ 7,832,369</u>

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES				
Taxes	\$ 101,564	\$ 1,002,998	\$ -	\$ 1,104,562
Licenses and permits	136,164	-	-	136,164
Intergovernmental	465,293	-	1,075,545	1,540,838
Fines	408,869	-	-	408,869
Interest	24,213	10,668	7,268	42,149
Video poker	104,088	-	-	104,088
Miscellaneous	<u>86,705</u>	<u>-</u>	<u>-</u>	<u>86,705</u>
TOTAL REVENUES	<u>1,326,896</u>	<u>1,013,666</u>	<u>1,082,813</u>	<u>3,423,375</u>
EXPENDITURES				
Current				
General and administrative	601,592	21,456	-	623,048
Police	716,706	-	-	716,706
Fire	161,726	-	-	161,726
Streets and alley	333,838	-	-	333,838
Hurricane, net	6,839	-	-	6,839
Capital outlay	524,901	524,496	1,070,926	2,120,323
Debt service				
Principal	29,664	30,164	-	59,828
Interest	<u>5,998</u>	<u>42,836</u>	<u>-</u>	<u>48,834</u>
TOTAL EXPENDITURES	<u>2,381,264</u>	<u>618,952</u>	<u>1,070,926</u>	<u>4,071,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,054,368)	394,714	11,887	(647,767)
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowings	-	110,643	-	110,643
Operating transfers in	748,893	-	212,154	961,047
Operating transfers out	<u>(5,000)</u>	<u>(590,056)</u>	<u>-</u>	<u>(595,056)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>743,893</u>	<u>(479,413)</u>	<u>212,154</u>	<u>476,634</u>
NET CHANGES IN FUND BALANCES	(310,475)	(84,699)	224,041	(171,133)
FUND BALANCES, BEGINNING	<u>711,012</u>	<u>534,758</u>	<u>653,919</u>	<u>1,899,689</u>
FUND BALANCES, ENDING	<u>\$ 400,537</u>	<u>\$ 450,059</u>	<u>\$ 877,960</u>	<u>\$ 1,728,556</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF VINTON, LA.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2008

Total net changes in fund balances at September 30, 2008 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (171,133)

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of		
Revenues, Expenditures and Changes in Fund Balances	\$ 2,120,263	
Depreciation expense for the year ended September 30, 2008	<u>(364,566)</u>	1,755,697

Governmental funds report bonded debt repayments as expenditures.
However, this expenditure does not appear in the statement of activities
since the payment is applied against the bond payable on the statement
of net assets

59,828

Governmental funds report debt proceeds as revenues. However,
this revenue does not appear in the statement of activities since
the debt is reported on the statement of net assets

(110,643)

Difference between interest on long-term debt on modified accrual
basis versus interest on long-term debt on accrual basis

2,166

Total changes in net assets at September 30, 2008 per Statement of Activities \$ 1,535,915

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
STATEMENT OF NET ASSETS – PROPRIETARY FUND
September 30, 2008

ASSETS

Current assets

Cash and cash equivalents	\$ 1,594,353
Investments	128,740
Receivables, accounts	440,857
Due from other funds	<u>15,000</u>
Total current assets	2,178,950

Fixed assets, net of accumulated depreciation

4,696,711

Total assets

\$ 6,875,661

LIABILITIES

Current liabilities

Accounts payable	\$ 286,933
Accrued vacation payable	8,001
Customer meter deposits	<u>122,363</u>
Total current liabilities	417,297

NET ASSETS

Invested in capital assets	4,696,711
Unrestricted	<u>1,761,653</u>
Total net assets	<u>6,458,364</u>

Total Liabilities and Net Assets

\$ 6,875,661

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS – PROPRIETARY FUND
Year Ended September 30, 2008

OPERATING REVENUES	
Electricity sales	\$ 2,948,862
Water sales	321,234
Sewer service charges	301,450
Miscellaneous	<u>156,532</u>
Total Operating Revenues	3,728,078
OPERATING EXPENSES	
Electricity department	3,081,081
Water department	208,200
Sewer department	224,468
Hurricane – net	14,090
Depreciation	<u>165,934</u>
Total Operating Expenses	<u>3,693,773</u>
OPERATING INCOME (LOSS)	34,305
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>42,761</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	77,066
Operating transfers in	91,550
Operating transfers out	<u>(457,541)</u>
CHANGE IN NET ASSETS	(288,925)
NET ASSETS, BEGINNING	<u>6,747,289</u>
NET ASSETS, ENDING	<u>\$ 6,458,364</u>

The accompanying notes are an integral part of the basic financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA.
STATEMENT OF CASH FLOWS –
PROPRIETARY FUND
Year Ended September 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers	\$ 3,758,819
Payments to suppliers	(3,172,010)
Payments to employees	<u>(370,744)</u>
Net cash from operating activities	<u>216,065</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(1,390)
Interest earnings	42,761
Proceeds from sale of fixed assets	12,683
Purchase of fixed assets - net	<u>(22,332)</u>
Net cash from investments activities	<u>31,722</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING
ACTIVITIES:**

Operating transfers in	91,550
Operating transfers out	<u>(457,541)</u>
Net cash from non-capital financing activities	<u>(365,991)</u>

NET INCREASE (DECREASE) IN CASH (118,204)

CASH – BEGINNING 1,712,557

CASH – ENDING \$ 1,594,353

**Reconciliation of operating income (loss) to
net cash from operating activities:**

Operating income (loss)	\$ 34,305
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	165,934
Gain on sale of fixed asset	(12,683)
(Increase) decrease in receivables	30,741
Increase (decrease) in accounts payable and accrued expenses	<u>(2,232)</u>
Net cash from operating activities	<u>\$ 216,065</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Vinton, LA, was incorporated in October, 1910, under the provisions of the Lawrason Act. The purpose of the municipality is to provide services to its citizens, which include sewer, water and electricity; police protection and other services. The municipality has a board of five elected council members who are compensated. The municipality is located in Calcasieu Parish, Louisiana and its population is approximately 3,000.

1. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Vinton, LA, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of Vinton, LA, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the this criteria, the Town has determined that the following component units are part of the reporting entity:

Vinton Public Power Authority
Industrial Development Board of the Town of Vinton, LA., Inc.

The Town's council is also responsible for appointing the members of the board of the Housing Authority of Vinton, Louisiana. This agency is considered to be a related organization since the municipality appoints the separate governing board but is not financially accountable for the organization.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Discretely Presented Component Units

Financial data of component units is displayed in the Component Unit column of the combined statements. The reported component units are as follows:

Vinton Public Power Authority (VPPA)

This entry is created by state statutes, which provide for its governance by the municipality creating it. Although legally separate, Vinton Public Power Authority is fiscally dependent upon the Town because of the joint power supply arrangement. The relationship between the Town and Vinton Public Power Authority is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for the Vinton Public Power Authority component unit is from its separately audited financial statements for the fiscal year ended September 30, 2008.

Industrial Development Board of the Town of Vinton, Inc. (IDB)

The IDB was incorporated on December 19, 2002 and is a nonprofit organization recognized as a 501(c)(3) organization. Although legally separate, IDB's resources are entirely for the direct benefit of the Town. The IDB is managed by a board of five individuals that are appointed by the Mayor and approved by the Town's council. The relationship between the Town and the IDB is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for this component unit is from its separate financial statements for the year ended September 30, 2008, however, IDB had no activity within the current year.

2. Basis of Presentation

The accompanying basic financial statements of the Town of Vinton, LA, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Town's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Town, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Town uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Town functions and activities. A fund is defined as a separate fiscal and

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

accounting entity with a self-balancing set of accounts. The various funds of the Town are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Town or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Town reports the following major funds:

The General Fund is the primary operating fund of the Town. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. This fund accounts for the receipt and use of proceeds of the Town's 2 ½% sales and use tax.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than these financed by the Enterprise Fund.

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund accounts for electricity, water and sewer services.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The Town applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service and enterprise funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Town Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Town Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The original budget was amended once during the year and the amendment is reflected in the budget comparison.

5. Deposits and Investments

Deposits

Deposits include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2008, the Town has \$3,263,798 in deposits (collected bank balances). These deposits are secured from risk by \$381,680 of federal deposit insurance and \$2,882,118 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Investments

The Town's investments are categorized above in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed at year end. The Town's investment program is limited to purchases of securities issued or guaranteed by the U.S. government and its agencies.

Carrying amounts at September 30, 2008 were as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Cost</u>
U.S. Treasury and agency obligations held by the Town or the Town's agent in the Town's name	<u>\$ 259,439</u>	<u>\$ 259,439</u>	<u>\$ 274,650</u>

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

The Town utilizes the allowance method for proprietary funds to recognize doubtful accounts. The allowance for doubtful accounts at September 30, 2008 was \$-0-.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for electricity, water and sewer user fees in the Enterprise Funds. The Town's ability to collect the amounts due from the users of the Town electricity, water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

8. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Property and plant	15-50 years
Equipment	5-15 years
Transportation equipment	3-5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

9. Statement of Cash Flows

For the purpose of the statement of cash flows for the enterprise fund, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At September 30, 2008 the municipality's liability for compensated absences was \$22,864.

11. Long - Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

13. Sales Taxes

2 ½ % Sales Tax

Proceeds of a 2 ½% sales and use tax levied by the Town of Vinton, LA. are dedicated to the following purposes:

1. Proceeds from 1%, being collected since April 1, 1975, is not dedicated for any special purpose and may be utilized for any lawful purpose.
2. Proceeds from 1%, being collected since July 1, 1979, is to provide additional funds for the purposes of constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal and treatment plant system and other capital improvements; paying indebtedness incurred for said purposes or for any other lawful corporate purpose.
3. Proceeds from the ½% tax being collected since January 1, 1997, is for the following purposes: 75% for the maintenance and overlay of the hard surfaced streets; 25% for the fire department capital outlay and for the payment of insurance and utilities incurred relative to the operation of the fire stations.

14. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

15. Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Town primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Town.

NOTE B - PROPERTY TAXES

For the year ended September 30, 2008 taxes of 6.110 mills were levied on property with assessed valuations totaling \$6,598,800 and were dedicated as follows:

General corporate purposes	6.110 mills
----------------------------	-------------

Total taxes levied were \$40,289.

NOTE C - RECEIVABLES

The following is a summary of receivables for September 30, 2008:

	General Fund	Proprietary Funds
Charges for services	\$ 25,847	\$ 440,857

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

Note D – Capital Assets

A summary of changes in capital assets for the year ended September 30, 2008 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 194,598	\$ 1,000	\$ -	\$ 195,598
Buildings	1,993,579	149,850	-	2,143,429
Furniture and Equipment	943,368	116,450	-	1,059,818
Transportation Equipment	840,243	375	5,094	835,524
Infrastructure	2,849,933	23,314	-	2,873,247
Construction In Progress	<u>886,276</u>	<u>1,829,274</u>	<u>-</u>	<u>2,715,550</u>
Totals at historical cost	7,707,997	2,120,263	5,094	9,823,166
Less accumulated depreciation for:				
Buildings	473,712	41,259	-	514,971
Furniture and Equipment	520,963	104,822	-	625,785
Transportation Equipment	398,634	117,125	5,094	510,665
Infrastructure	<u>541,628</u>	<u>101,360</u>	<u>-</u>	<u>642,988</u>
Total accumulated depreciation	<u>1,934,937</u>	<u>364,566</u>	<u>5,094</u>	<u>2,294,409</u>
Governmental activities capital Assets, Net	<u>\$ 5,773,060</u>	<u>\$ 1,755,697</u>	<u>\$ -</u>	<u>\$ 7,528,757</u>
Business Type Activities:				
Land	\$ 328,950	\$ -	\$ -	\$ 328,950
Buildings and plant	7,857,071	9,100	-	7,866,171
Furniture and equipment	160,509	-	-	160,509
Transportation equipment	<u>319,138</u>	<u>13,232</u>	<u>10,187</u>	<u>322,183</u>
Totals at historical cost	8,665,668	22,332	10,187	8,677,813
Less accumulated depreciation for:				
Buildings and plant	3,478,711	146,170	-	3,624,881
Furniture and equipment	92,539	7,651	-	100,190
Transportation equipment	<u>254,105</u>	<u>12,113</u>	<u>10,187</u>	<u>256,031</u>
Total accumulated depreciation	<u>3,825,355</u>	<u>165,934</u>	<u>10,187</u>	<u>3,981,102</u>
Business-type activities capital assets, net	<u>\$ 4,840,313</u>	<u>\$ (143,602)</u>	<u>\$ -</u>	<u>\$ 4,696,711</u>

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 60,805
Streets and park	139,404
Fire	78,384
Police	<u>85,973</u>
Total	<u>\$ 364,566</u>

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

Note D – Capital Assets- Continued

The construction in progress consists of the following projects:

	<u>Total Budgeted</u>	<u>Construction In Progress</u>
Water/Sewer Extension – Exit #7	\$ 635,000	\$ 630,866
LCDBG Sewer Improvements (1)	2,450,000	2,061,338
West Street sidewalk project	200,000	23,346
Total	<u>\$ 3,285,000</u>	<u>\$ 2,715,550</u>

(1) \$1,150,000 will be funded by a grant.

Note E - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended September 30, 2008:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General Obligation	\$ 892,510	\$ -	\$ 59,828	\$ 832,682	\$ 63,323

The payments on the bonds payable are made by the debt service fund.

Long-term liabilities at September 30, 2008 are comprised of the following individual issues:

General Obligation Bonds:

\$870,000 Public improvement bonds dated May 26, 2024 due in monthly installments of \$6,124 -through May 15, 2004; interest at 5.37%	\$ 768,186
\$157,255 capital lease dated October 1, 2005 due in annual installments of \$35,031, including interest at 5.7%, maturity of October 1, 2009	<u>64,496</u>
	<u>\$ 832,682</u>

The annual requirements to amortize all bonds are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 63,323	\$ 44,708
2010	67,122	41,398
2011	36,124	36,876
2012	38,039	34,961
2013	40,264	32,736
2014-2018	237,588	127,432
2019-2023	311,741	53,259
2024	38,501	410
	<u>\$ 832,682</u>	<u>\$ 371,780</u>

A \$750,000 Certificate of Indebtedness has been committed to fund the water/sewer extension – exit #7 project expected to be completed in early 2009. The certificates will have a term of ten years. At September 30, 2008, \$587,263 has been funded and is reported as deferred revenue liability in the statement of net assets.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE F - PENSION PLAN

Substantially all employees of the Town of Vinton, LA, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R. S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan A for the year ending September 30, 2008 was \$92,602.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE F - PENSION PLAN – Continued

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 708092250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 13.75% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the year ending September 30, 2008 was \$36,476.

NOTE G- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The municipality maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the municipality. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE H- POWER SALES CONTRACT

The Town is obligated to purchase from Vinton Public Power Authority, a related entity, all power and energy required for the operation of the municipality's electric system on a "take or pay" basis. This contract expires on June 21, 2021 or when the debt of Vinton Public Power Authority is paid off, whichever occurs first.

NOTE I- CONTINGENCIES

The Town participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the Town believes that any disallowed costs as a result of such audits will be immaterial.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

NOTE J - COUNCIL MEMBERS COMPENSATION

Each council member receives monthly compensation. The following is a list of council members and their compensation for the fiscal year ended September 30, 2008:

Bliss M. Bujard	\$ 3,600
Harold Douga	900
Karen Douglas	2,700
William Loyd, Jr.	3,600
Kevin Merchant	3,600
Edward Vice	<u>3,600</u>
	<u>\$ 18,000</u>

The compensation paid to the Mayor and the police chief for the year ended September 30, 2008, is as follows:

Kenneth Stinson, Mayor	<u>\$ 29,495</u>
R.D. Fox, Chief	<u>\$ 33,140</u>

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF VINTON, LA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended September 30, 2008

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$ 106,935	\$ 108,935	\$ 101,564	\$ (7,371)
Licenses and permits	46,500	73,500	136,164	62,664
Intergovernmental - other	386,722	447,304	465,293	17,989
Video poker	100,000	115,000	104,088	(10,912)
Fines	500,000	392,500	408,869	16,369
Interest	45,000	20,000	24,213	4,213
Other	41,000	99,798	86,705	(13,093)
Total Revenues	1,226,157	1,257,037	1,326,896	69,859
EXPENDITURES				
Current				
General and administrative	623,688	623,688	601,592	22,096
Streets and alley	294,632	336,247	333,838	2,409
Fire	124,519	226,009	161,726	64,283
Police	748,934	748,934	716,706	32,228
Hurricane – net	-	-	6,839	(6,839)
Capital outlay	119,200	156,763	524,901	(368,138)
Debt service				
Principal	-	29,664	29,664	-
Interest	-	5,336	5,998	(662)
Total expenditures	1,910,973	2,126,641	2,381,264	(254,623)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(684,816)	(869,604)	(1,054,368)	(184,764)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	510,000	540,000	748,893	208,893
Operating transfers out	-	(268,000)	(5,000)	263,000
Total other financing sources (uses)	510,000	272,000	743,893	471,893
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(174,816)	(597,604)	(310,475)	287,129
FUND BALANCE-BEGINNING	711,012	711,012	711,012	-
FUND BALANCE-ENDING	\$ 536,196	\$ 113,408	\$ 400,537	\$ 287,129

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CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA
BUDGETARY COMPARISON SCHEDULE – SALES TAX FUND
Year Ended September 30, 2008

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Sales taxes	\$ 976,500	\$ 1,001,500	\$ 1,002,998	\$ 1,498
Interest	24,000	24,000	10,668	(13,332)
Total revenues	1,000,500	1,025,500	1,013,666	(11,834)
EXPENDITURES				
Current				
General and administrative	19,500	19,500	21,456	(1,956)
Capital outlay	-	78,696	524,496	(445,800)
Debit service				
Interest	30,366	30,366	30,164	202
Principal	43,123	43,123	42,836	287
Total expenditures	92,989	171,685	618,952	(447,267)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	907,511	853,815	394,714	(459,101)
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowings	-	79,889	110,643	30,754
Operating transfers out	(656,250)	(1,006,250)	(590,056)	416,194
	(656,250)	(926,361)	(479,413)	446,948
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	251,261	(72,546)	(84,699)	(12,153)
FUND BALANCE-BEGINNING	534,758	534,758	534,758	-
FUND BALANCE-ENDING	\$ 786,019	\$ 462,212	\$ 450,059	\$ (12,153)

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF VINTON, LA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2008

Disburse- Federal Grantor/Pass- ments/ Through Grantor/Program Title <u>Expenses</u>	Federal CFDA <u>Number</u>	Pass- Through Grantors <u>Number</u>	
U.S. Department of Housing and Urban Development Pass-Through the State of Louisiana Department of Community Development	14.228	-	\$ 1,109,752
U.S. Department of Justice Community Policing	16.738	-	7,144
U.S. Department of Federal Emergency Management Agency	83.516	-	<u>297,590</u>
			<u>\$ 1,414,486</u>

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Town of Vinton, LA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



GRAGSON, CASIDAY & GUILLORY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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RAYMOND GUILLORY, JR., C.P.A.
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COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 16, 2009

The Honorable Kenneth Stinson, Mayor
and the Town Council
Town of Vinton, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2008, and have issued our report thereon dated March 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Vinton, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Vinton, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Vinton, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Vinton, Louisiana's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Vinton, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Town of Vinton, Louisiana's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Vinton, Louisiana's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Town of Vinton, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that is required to be reported under *Government Auditing Standards*.

Town of Vinton, LA's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Town of Vinton, LA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Town Council and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Gragson, Casiday & Guillory



GRAGSON, CASIDAY & GUILLORY, L.L.P.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Kenneth Stinson, Mayor
and The Town Council
Town of Vinton, Louisiana

March 16, 2009

Compliance

We have audited the compliance of Town of Vinton, LA with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended September 30, 2008. Town of Vinton, LA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Town of Vinton, LA's management. Our responsibility is to express an opinion on Town of Vinton, LA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Vinton, LA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Town of Vinton, LA's compliance with those requirements.

In our opinion, Town of Vinton, LA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of Town of Vinton, LA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Town of Vinton, LA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Vinton, LA's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gragson Casiday & Guillory

TOWN OF VINTON, LA.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2008

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses(es) identified? ☐ yes ☒ no
- Control deficiency(s) identified that are
not considered to be material weakness(es)? ☒ yes ☐ none reported

Noncompliance material to financial
statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Control deficiency(s) identified
that are not considered to be material
weakness(es)? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Number
14,228

Name of Federal Program
Community Development Block Grant

Dollar threshold used to distinguish
between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

TOWN OF VINTON, LA.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended September 30, 2008

II – Financial Statement Findings

Finding #2008-01:

Theft of Funds:

Condition: Subsequent to September 30, 2008, theft of funds from the police department's evidence room was detected. From a preliminary investigation, it was determined that evidence room funds and confiscated funds from traffic stops, that were not entered into the control system, had been taken by a Town police officer. The investigation is ongoing and has not been finalized. Estimates are that approximately \$150,000 in funds are unaccounted for.

Cause: Internal controls are in place but were not followed by police department personnel. In addition, proper supervision was not exercised by police department personnel.

Recommendation: The Town should ensure that police department personnel periodically review procedures and that supervisory personnel perform their assigned functions.

Corrective Action to Take (Management Response): Agreement to finding, oversight will increase to adhere to internal controls and to initiate any additional procedures recommended as a result of any final investigative report.

III – Federal Award Findings and Questioned Costs

- None

IV – Prior Year Audit Findings

- None